

**Amherst Finance Committee Minutes  
January 19, 2012**

Finance Committee Attendance: Kay Moran (vice-chair), Janice Ratner, Bob Saul, Anurag Sharma, Doug Slaughter, Andy Steinberg (chair), Marylou Theilman.

Others Attending: John Musante, Town Manager; Sanford Pooler, Finance Director; Amherst Media.

The meeting was called to order at 7:05 p.m. in the first floor meeting room at Town Hall.

**Announcements**

1. The town received the PARC Grant for War Memorial. The Town Manager signed and faxed the acceptance. Full amount \$208,320 – seventy percent of total cost needs to be spent in this fiscal year. Bids are ready to go out soon. DPW is also ready to go.
2. The town's objective is to get the pool open by last week of June.
3. The other PARC Grant for the Puffer's Pond was not funded. The Town Meeting vote was contingent upon the grant and the project will, therefore, not go forward. Whether or not the town will re-apply is not certain.
4. The Governor is expected to release the budget soon. It is expected that there will be a level funded budget.
5. There was a discussion about the needs of the Fire Department, especially updating or replacing the facility for the central station.
6. The town's budget request came in at 2.90% increase over the previous year, against the Finance Committee guideline of 2.8 percent. The 10 basis point differential amounts to about \$20,000 which is a small number but concern expressed that the request is above the guidelines and sets a precedent.

**Discussion & Debate**

Independent Funding: Policy issue discussed was about the claim that departments can retain the funds they raise through entrepreneurial activity. School choice, for instance, comes in as cherry sheet revenue to the town. Assumption is made that the amount automatically goes to the school in their budget rather than going to the town. Another example is the ability of the library to raise money by imposing fines on patrons for not returning the books on time.

The question, therefore, is: If a department or a functional area comes up with a new income producing mechanism, do the monies so raised/earned go into that functional area or should they go into a central pool to be then allocated as the town sees fit?

The ensuing discussion raised different positions. On the one hand, years of practice has made some of these issues ingrained in the operating budgets of departments. Given the variety of department specifics, moreover, it is unlikely that a single blanket policy should be the answer. An alternate view was expressed by John Musante was that, just as the state aid is by law unrestricted aid to the community, the additional monies should come into the General Fund and then be allocated as budgetary decisions. Depending on the year, some departments need more than the others and the town needs to have the flexibility to allocate resources as needed from a common pool. Still, there was agreement that rigid formulae or policy was not the answer.

As a matter of current practice, it was pointed out that we do not deduct from the school budget the "choice out" even though it is deducted from the Chapter 70 aid. By law, incoming school choice money

can be spent by the schools without appropriation by Town Meeting. As a general matter, however, Sandy Pooler suggested that the town should not tell departments to keep the additional funds, as it sends a wrong message about how we run the government. Some departments cannot generate their own funds, and there needs to be a reasonable answer for them.

School Budget: Andy met with the Superintendent and discussed the budget gap of \$400,000+. An effort is being made to reduce the gap through such measures as school choice.

A concern was raised that school choice would raise costs or not allow the costs to be reduced as the increasing numbers of students from elsewhere will require that the staffing levels be sustained. It was suggested that the schools backfill small classes but be careful not to increase costs for the school. It was also suggested that the FC be aware of statutory provisions about school choice numbers.

Solar Project: Question was raised about the status of the solar project on the old landfill site. It is expected to be operational by the end of the calendar year 2012, although the budget planning has not built in any property tax or utility savings – which are expected in fiscal 2013.

Finance Committee Decision Making: Andy noted the issue raised by Anurag about how the Committee makes decisions and supports Articles. A lengthy discussion ensued and several perspectives were shared: (1) FC members are volunteers and do not have the resources to do primary research, (2) FC members can make judgments based on qualitative factors and a general understanding of the issues that confront the town, (3) FC should rely on the town, especially the Finance Director and the relevant departments, for data relevant to the issue at hand, and (4) FC should refrain from taking positions on zoning-related and other articles where clear financial data are not available.

Decision-making by FC is a complex issue, as the Warrant Articles that come up before it are sometimes quite nuanced and the political context in the town can be complex as well. The focus remains on encouraging financial discipline, however, and the members remain committed to continuing to improve the manner in which articles are evaluated and decisions made.

Meetings Calendar: Andy had sent out and members should have the proposed calendar of meetings through April. A discussion of upcoming events ensued.

#### Minutes for Review:

Minutes of previous FC meetings were reviewed and voted on.

1. April 14, 2011: Approved minor changes (Motion Kay/2<sup>nd</sup> Janice). 6-0, 1 abstain
2. October 20, 2011: Approved minor changes (Motion Doug/2<sup>nd</sup> Janice). 6-0, 1 abstain
3. November 3, 2011: Approved no change (Motion Mary Lou/2<sup>nd</sup> Doug). 5-0, 2 abstain
4. January 7, 2012: Four-town meeting. Approved no change (Motion Kay/2<sup>nd</sup> Doug). 5-0, 2 abstain

Meeting adjourned 8:40 pm.

Submitted by  
Anurag Sharma